



International Business Machines Corporation

6710 Rockledge Drive
Bethesda, MD 20817

March 22, 2004

Mr. Joseph A Ingraffia
Procurement Services Manager
Argonne National Laboratory
9700 South Cass Avenue
Argonne, IL 60439

Dear Mr. Ingraffia:

Subject: Basic Ordering Agreement (BOA) No. 41-00941 between Argonne National
Laboratory and IBM Corporation

Thank you for the opportunity to establish a Basic Ordering Agreement (BOA) between the IBM Corporation and the University of Chicago as Operator of Argonne National Laboratory on behalf of the Department of Energy (DOE). The IBM Corporation has had a long and beneficial business relationship with the DOE, and this BOA will extend that relationship to include IBM Thinkpads, ThinkCentre Desktops, ThinkVision Displays, and Think Options.

IBM will create a custom website for the DOE, with the IBM products and discounts identified for the DOE in Attachment C of the BOA. Additional special bid discounts may apply for specific large volume transactions, subject to negotiation. Specific Thinkpad and ThinkCentre Express Models which are not on IBM's GSA Schedule will also not be present on the DOE website.

The IBM Thinkpad and ThinkCentre solutions have received multiple awards from the PC Industry and the press. We look forward to a mutually beneficial agreement and your continued satisfaction with our solutions.

Sincerely,

A handwritten signature in black ink, appearing to read "Alex Wong".

Alex Wong
IBM Federal PCD Sales Manager

BASIC ORDERING AGREEMENT BETWEEN

IBM Corporation

AND

The University of Chicago as Operator of

Argonne National Laboratory

BASIC ORDERING AGREEMENT

4I-00941

This Basic Ordering Agreement (BOA) between IBM Corporation (Vendor, hereinafter "Seller") and The University of Chicago as Operator of Argonne National Laboratory on behalf of the Department of Energy (DOE) is entered into to provide products and services to the DOE and its Management and Operating Contractors and designated affiliates in accordance with the following:

This Agreement includes products listed in Attachment A.

This Agreement is for the Department of Energy and those contractors and designated affiliates named in Attachment B.

Pricing is in accordance with Attachment C.

General Terms and Conditions CI (05/01) are included in Attachment D, and made a part herein.

The parties agree that the DOE (including DOE field offices) or any entity having a prime contract with the DOE awarded pursuant to Federal Acquisition Regulation (FAR) Subpart 17.6 and Department of Energy Acquisition Regulation (DEAR) Subpart 917.60 (collectively hereinafter called "Contractor"), may place orders under this BOA and receive the appropriate, discounted price.

Each Contractor shall place its own orders under this Agreement and shall be direct-billed accordingly.

ARTICLE 1 - SCOPE OF WORK

All orders placed hereunder shall reference the number of this BOA (Agreement No.) and Order Release No.[insert release no.] as required. The term of this BOA is five years from the effective date of this BOA. Effective term of Agreement March 1, 2004 through February 28, 2009].

The Seller agrees to furnish such quantities of products described herein as Contractor may order during the term of this Agreement. The Seller's obligation to each Contractor shall become effective upon acceptance of particular orders issued under the Agreement.

ARTICLE 2 - DELIVERY/PAYMENT

The work specified in Article 1 shall be completed and delivered as follows:

F.O.B. Point (point of delivery): Destination

Payment Terms: Net 30 days from receipt of a proper invoice.

Delivery location and schedule shall be negotiated for each order under this BOA.

ARTICLE 3 - FIXED PRICES

The Contractor shall be entitled to purchase goods and services listed in Attachment A at the fixed prices identified in Attachment C.

The prices identified in Attachment C are firm for the effective period of this Agreement, described in Article 1, Scope of Work, unless the Contractor is otherwise notified. The Seller reserves the right to change any price reflected in Attachment C provided that written or electronic notification be provided to the Contractor 30 days in advance of such change.

ARTICLE 4 - ADMINISTRATIVE

University of Chicago, as Operator of
Argonne National Laboratory
9700 South Cass Avenue
Argonne, IL 60440

Contact: Joseph A. Ingrassia @ e-mail: jingraffia@anl.gov
Phone: (630) 252-3640; Fax (630) 252-4517

BOA Seller's Administrator's Address is as follows

IBM Corporation.....
7100 Highlands Parkway.....
Smyrna, GA 30082.....

Contact: Burton Francois. @ e-mail: burtfran@us.ibm.com.....
Phone: 1-800-426-1751 x 1093; Fax 1-800-242-6329.....

ARTICLE 5 - SITE-SPECIFIC TERMS AND CONDITIONS

The Seller acknowledges that the Contractor may have requirements unique to its post, mission, and/or geographic location. Therefore, the Seller agrees that the Contractor placing an order under this BOA reserves the right to incorporate its own Site-Specific Terms & Conditions relative to Environmental Safety and Health considerations as well as FAR, DEAR, or other applicable regulations and laws, subject to mutual agreement.

IN WITNESS WHEREOF, the parties hereto have executed this document as of the day and year of [Contractor's] signature date.

ACKNOWLEDGED AND CONFIRMED;

[SELLER]

UNIVERSITY OF CHICAGO, as OPERATOR of
ARGONNE NATIONAL LABORATORY

Alex Wong

BY: ~~M. Joseph Ellington~~

ALEX WONG

Joseph A. Ingrassia
BY: Joseph A Ingrassia

~~TITLE: IBM PC Sales Specialist~~ TITLE: Procurement Services Manager

IBM FEDERAL SALES MANAGER

BASIC ORDERING AGREEMENT

GENERAL TERMS AND CONDITIONS FOR COMMERCIAL ITEMS AND SERVICES

DOE CONTRACTORS (05/01)

1. DEFINITIONS

The following terms shall have the meanings below:

- (a) Government means the United States of America and includes the U.S. Department of Energy (DOE) or any duly authorized representative thereof.
- (b) Seller means the person or organization that has entered into this Basic Ordering Agreement (BOA).
- (c) Company means any DOE Contractor and authorized Subcontractor (subject to mutual agreement) utilizing the BOA.
- (d) Item means "commercial items or services" and "commercial component", as defined in FAR 52.202-1.
- (e) Order means individual requests for Items or Services (hereinafter referred to as "Item") issued under this BOA.
- (f) Authorized Subcontractor means a subcontractor holding an active subcontract issued by a DOE Contractor
- (g) BOA Procurement Representative means the person responsible for negotiating and administering the BOA
- (h) Order Procurement Representative means the person responsible for negotiating and administration of the respective Order.
- (i) Site Specific Terms and Conditions means those unique requirements of the Company issuing Orders under this BOA which may supplement these general terms and conditions.

2. TERMS AND CONDITIONS/ORDER OF PRECEDENCE

Terms equivalent to the IBM/GSA I/T Schedule #GS-35F-4984H (which may be viewed at www.ibm.com/easyaccess/gsa), or successor Schedule Contract, is incorporated by reference. Notwithstanding the reference to the GSA I/T Schedule, these orders are deemed a separate transaction and are not ordered under the GSA I/T Schedule. GSA price Reduction Provisions, Examination of Records by GSA, prompt payment discounts and other conditions, including TAA certification, solely specific to GSA orders do not apply.

Any inconsistencies shall be resolved in accordance with the following descending order of precedence: (1) item description, (2) face of the Order, (3) Site Specific Terms and Conditions, if any, (4) face of the BOA, (5) the BOA general terms and conditions, and (6) GSA I/T Schedule GS-35F-4984H.

3. TITLE AND ADMINISTRATION

All property rights and interests resulting from this BOA and Orders shall pass directly from Seller to the Government. Company shall make payments under Orders from funds advanced by the Government and agreed to be advanced by DOE, and not from its own assets. The Company may assign the BOA and Orders to DOE or its designee, and in case of such transfer and notice thereof to Seller, Company shall have no further responsibilities hereunder.

4. ACCEPTANCE OF TERMS AND CONDITIONS

Seller, by signing the BOA or Orders or delivering the items identified therein, agrees to comply with all the terms and conditions, all specifications and all other documents that this BOA or Order incorporates by reference or attachment. Company hereby objects to any terms and conditions contained in any acknowledgment of the BOA or Order that are different from or in addition to those mentioned in this document. Failure of Company to enforce any of the provisions of the BOA or Order shall not be construed as evidence to interpret the requirements of the BOA or Order, nor a waiver of any

requirement, nor of the right of Company to enforce each and every provision. All rights and obligations shall survive final performance of the BOA or any Order there under.

5. WARRANTY

Seller expressly warrants that items delivered under the Orders shall be in accordance with Seller's affirmation, description, sample, or model and compliant with all requirements of the BOA and Order. The warranty shall begin upon acceptance and extend for a period of one year or the manufacturer's warranty period, whichever is longer, of the item or has modified it. If any nonconformity with the item appears within that time, Seller shall promptly repair or replace such items or re-perform services. Transportation of replacement items and return of nonconforming items and repeat performance of services shall be at Seller's expense. Any implied warranty of merchantability or fitness for a particular purpose is hereby disclaimed.

Hard Drive Return Waiver: Defective hard drives are ordinarily returned to IBM as part of the service process. At the customer's option, IBM has agreed to waive return of the hard drive for selected models of equipment that are sold to DOE customers that have classified data concerns. This waiver applies to IBM on-site repair, reseller or self-maintainer service programs. The waiver does not apply to EasyServ, the IBM courier repair service program. Hard drives that are not returned will be destroyed.

6. ASSIGNMENT

Seller shall not assign rights or obligations to third parties without the prior written consent of Company. However, Seller may assign rights to be paid amounts due or to become due to a financing institution if Company is promptly furnished written notice and a signed copy of such assignment. Payments to an assignee shall be subject to set off or recoupment for any present or future claims of Company against Seller.

7. NEW MATERIALS

Unless otherwise specified in the BOA or Order, all items delivered shall consist of new materials. New is defined as previously unused which may include residual inventory or unused former Government surplus property.

8. TRANSPORTATION

Transportation shall be "FOB Destination" unless specified otherwise in the Order and no insurance cost shall be allowed unless authorized in writing on the specific Order.

9. RISK OF LOSS

Where Company is liable to Seller for loss of conforming items occurring after the risk of loss has passed to Company, Company shall pay Seller the agreed price of such items. Such loss shall entitle Seller to an equitable extension in delivery schedule obligations.

10. PAYMENT

Unless otherwise provided, terms of payment shall be Net 30 days from the latter of (1) receipt of Seller's proper invoice, if required, or (2) delivery (and acceptance, if required by the Order) of items/completion of work. Payments may be made either by check, purchase card or electronic funds transfer, at the option of Company. Payment shall be deemed to have been made as of the date of mailing or the date on which an electronic funds transfer was made. Notwithstanding anything therein, the Company shall be entitled at any and all times to set off against any amounts payable by the Company hereunder any amount owing from Seller to the Company under Orders or any subcontracts with Seller.

11. COMPLIANCE WITH LAWS

(a) Seller shall comply with all applicable federal, state, and local laws and ordinances and all pertinent orders, DOE directives, rules, and regulations (including DOE regulations) and such compliance shall be a material requirement of this BOA and resulting Orders. Seller warrants that each chemical substance

constituting or contained in items furnished under this BOA is on the list of substances published by the Administrator of the Environmental Protection Agency pursuant to the Toxic Substances Control Act as amended. With each delivery Seller shall provide Company any applicable Material Safety Data Sheet as required by the Occupational Safety and Health Act and applicable regulations including, without exception, 29 CFR 1910.1200. (b) Seller shall include this clause in all subcontracts, at any tier, involving the performance of this BOA.

12. TERMINATION FOR CAUSE

(a) Only the Company issuing the BOA may terminate the BOA for cause, in whole or in part, if the Seller fails to comply with any of the terms of the BOA, or fails to provide adequate assurance of future performance. Only the Company issuing any Order may terminate the Order for cause, in whole or in part, if Seller fails to comply with any of the terms of the Order or fails to provide adequate assurance of future performance. In either event, the Company shall not be liable for any amount for items not accepted.

(b) If the BOA or any Order is terminated for cause, the Company may require Seller to deliver to the Company any supplies and materials, manufacturing materials, and manufacturing drawings that Seller has specifically produced or acquired for the terminated portion of the BOA or Order. The Company shall pay the agreed-upon price for completed items delivered and accepted. The Company and Seller shall agree on the amount of payment for all other deliverables.

(c) Seller shall not be liable to Company for delays in performance occasioned by causes beyond Seller's reasonable control and without its fault or negligence.

(d) The rights and remedies of the Company in this clause are in addition to any other rights and remedies provided by law or under the BOA or resulting Order.

13. BANKRUPTCY

If Seller enters into any proceeding relating to bankruptcy, it shall give written notice via certified mail to the BOA Procurement Representative within five days of initiation of the proceedings. The notification shall include the date on which the proceeding was filed, the identity and location of the court and a listing of the BOA and Order numbers for which final payment has not been made.

14. TAXES

Seller's prices do not include taxes. Taxes shall be collected and paid in accordance with the Site Specific Terms and Conditions of the respective Order.

15. CHANGES

(a) The Company issuing the BOA reserves the right to make changes within the general scope of the BOA by issuance of a bilateral modification to the BOA. The Company issuing the Order reserves the right to make changes within the general scope of the Order by issuance of a bilateral modification to the Order. Such changes may include, without limitation, changes in (1) the description of the item, (2) the quantities of items ordered, (3) the method of shipment or packaging, and (4) the time or place of delivery, inspection, or acceptance. The Seller shall promptly comply with any such change made by the Company. If any change affects the cost of or the time required for performance, an equitable adjustment to the price and/or delivery requirements and other affected provisions of the BOA or any Order shall be made by the parties in a bilateral modification. Any claim for adjustment by Seller must be made within 30 days from the date of receipt of Company's change notice, although Company in its sole discretion may receive and act upon any claim for adjustment at any time before final payment.

(b) Only the BOA Procurement Representative is authorized on behalf of Company to issue changes whether formal or informal to the BOA. Only the Order Procurement Representative is authorized on behalf of Company to issue changes whether formal or informal to the respective Order. If Seller considers that any direction or instruction by Company personnel constitutes such a change Seller shall not rely upon such instruction or direction without written confirmation from the BOA Procurement Representative or the Order Procurement Representative, as the case may be. Nothing in this clause, including any disagreement with Company about the equitable adjustment, shall excuse Seller from proceeding with the agreement as changed.

16. TERMINATION FOR CONVENIENCE

The Company issuing the BOA may, in its sole discretion, terminate the BOA, or may terminate the fabrication of all or any portion of the items not then completed, at any time, by giving the Seller a written notice of termination. The Company issuing the Order may, in its sole discretion, terminate the order, or may terminate the fabrication of all or any portion of the items not then completed, at any time, by giving the Seller written notice of termination. Upon receipt of a notice of termination, the Seller shall, unless the notice requires otherwise, discontinue all performance on the date and to the extent specified in the notice, and shall otherwise minimize costs to the Company. Payment for items already completed or in the process of completion, shall be adjusted between the Seller and the Company in a fair and reasonable manner, but such payment shall exclude any allowance for the uncompleted portion of the items, or any anticipated profits thereon. Such payment for items already completed or in the process of completion shall be the total compensation due to the Seller for termination at will by the Company.

17. SUSPENSION

The Company issuing the BOA may, for any reason, direct the Seller to suspend performance of any part of or all of the performance of the BOA for an indefinite period of time. The Company issuing the Order may, for any reason, direct the Seller to suspend performance of any part of or all of the performance of the Order. If any such suspension significantly delays the progress of or causes the Seller additional direct expenses in the performance of the BOA or any Order, not due to the fault or negligence of the Seller, the compensation to the Seller shall be adjusted by a modification to the BOA or any Order and the time of performance shall be extended by the actual duration of the suspension. Any claim by the Seller for compensation of a schedule extension must be supported by an appropriate document asserted within ten (10) days from the date an order is given to the Seller to resume the performance of the BOA or any Order.

18. Product Substitutions

Seller may make product substitutions either to internal system components, options or external peripherals as long as the substitute item is the same or better technology at the same or lower price. Order modifications will not be required. The invoice will reflect the actual product shipped.

19. INCORPORATION BY REFERENCE

The BOA incorporates certain clauses by reference. These clauses apply as if they were incorporated in their entirety. For Federal Acquisition Regulation (FAR) provisions incorporated by reference, "Contractor" means Seller and "Contracting Officer" means the Company BOA Procurement Representative. The FAR clauses may be obtained from the Company upon request.

The following clauses are incorporated by reference:

FAR 52. 219-8 Utilization of Small Business Concerns (OCT 200)

FAR 52.222-26 Equal Opportunity (Feb 1999), (The required poster is available at: <http://www.dol.gov/dol/esa/public/regs/compliance/posters/eeo.htm>)

FAR 52.222-35 Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (APR 1998), and

FAR 52.222-36 Affirmative Action for Workers with Disabilities (June 1998)

FAR 52.222-21 Prohibition of Segregated Facilities (Feb 1999)

END OF DOCUMENT

ATTACHMENT A

PRODUCT LIST

The following products are available under this BOA:

IBM ThinkPad laptops
IBM ThinkCentre and NetVista desktops
IBM ThinkVision displays
Think Options by IBM

Details regarding IBM products may be accessed at IBM WWW address: <http://www.ibm.com>

IBM shall provide and maintain an internet address with the discounted pricing and products available under this BOA (see Attachment C). The electronic price file will be updated as prices and product changes occur.

To schedule an on-site presentation with an IBM representative regarding IBM Personal Computer products offered under this BOA, please contact:

Burton Francois, Sales Specialist
Phone: 1-800-426-1751 x1093
e-mail: burtfran@us.ibm.com

Additionally, for those sites that express interest, IBM will work with those sites and/or authorized Value Added Resellers to facilitate electronic commercial architectures and business processes. Interested parties may consult the resources listed below.

e-Commerce Architectures and Business Processes

B2B Direct e-Commerce: Now it is easier than ever for IBM customers to purchase advanced IBM hardware, software and services, thanks to a revolutionary channel that can integrate with your e-procurement systems. The IBM B2B Direct e-Commerce program provides the ability to research IBM products, view entitled pricing and make purchases through a protected Web connection, allowing customers to speed up the procurement process resulting in increased efficiency and lower costs. The IBM program is flexible and is compatible with leading platforms such as Ariba, CommerceOne, SAP and Oracle, or if you wish, our specialists can also help create a solution for your needs.

To learn more, please see http://www-132.ibm.com/content/search/b2b/en_US/features.html or contact:

Rob Brooks
B2B Account Manager, ibm.com
Phone: 800-333-6705 x2374 or 301-803-2374
e-mail: robbrooks@us.ibm.com

IBM Government Procurement Solution is a web-based eProcurement system, built on open standards that supports a government agency's full life cycle acquisition management and is compliant with federal acquisition regulations. It has the capability to modernize a US Government Environment (Civilian and Defense) by adding the best federal acquisition (FAR) and defense (DFAR) compliance software package in the marketplace and incorporating the best of commercial-off-the-shelf products (COTS) and best practices. All elements of the solution are available today, which lowers project risks, development costs and allows easier maintenance. The solution is highly scalable, built on a robust

architecture, with connectivity to the back-end systems transparent to end users and web application developers. A suite of tools allow visibility to spend across an enterprise as well as state-of-the-art multi-attribute solicitation analysis. The business process tool allows the user to model, simulate, monitor and manage business process transformation prior to any IT implementation. IBM Government Procurement Solutions is a commercial of the shelf eProcurement system built upon IBM's recognized, award winning experience in eProcurement Transformation.

For more information regarding IBM's Government Procurement System Offering, please contact:

Mary McLaughlin-English, Client Manager

Phone: 301-803-1224

e-mail: mclaughm@us.ibm.com

ATTACHMENT B

Users and Ordering Instructions

This Basic Ordering Agreement (BOA) is specially designed to meet the procurement needs of DOE employees and contractors and is available for use by the DOE management and DOE contractors listed in the table included at the following DOE Integrated Contractor Purchasing Team Internet web page address, unless otherwise explicitly indicated in the BOA

http://bechteljacobs.com/icpt/eligibility_list.html

In addition to the DOE management and DOE contractors listed in the table, IBM shall provide the BOA pricing (or better) to any additional IBM business partners that DOE designates as their vendor(s) of preference for the various sites. The initial list shall include the following IBM business partners:

CDW-Government
230 N Milwaukee Avenue
Vernon Hills, IL 60061
Contact: Mr. Michael Bonner
Phone: 847-778-6723

GovConnection, Inc.
7503 Standish Place
Rockville, MD 20855
Contact: Mr. Brent Lehman
Phone: 800-998-0009

Government Micro Resources
7403 Gateway Court
Manassas, VA 20109
Contact: Mr. Rich Isley
Phone: 703-330-1199

Ideal Systems Solutions
11400 73rd Avenue North
Suite #122
Maple Grove, MN 55369
Contact: Mr. Jeff Kellen
Phone: 888-696-3344

McCall-Thomas
1555 Whiskey Road
Aiken, SC 29803
Contact: Ms. Cheryl Hass
Phone: 803-648-6107

ML Technologies
1320 E. Lincoln Road
Idaho Falls, ID 83401
Contact: Ms. Sheralee Manley
Phone: 877-502-7705

NetWorx
7216 Washington St. NE Suite C
Albuquerque, NM 87109
Contact : Mr. Darryl Vigil
Phone : 505-346-0700

Wildflower International
1500 South Saint Francis Drive
Santa Fe, NM 87505
Contact: Kimberly DeCastro
Phone: 505-466-9111

Changes to the list may be made at DOE's request. Proposal note: All of the resellers listed above have indicated an interest in participating with IBM in this DOE program. Once the ICPT award is finalized between DOE and IBM, IBM will secure formal agreement of these resellers to do business under the negotiated terms.

Ordering Information

To Place Orders Directly With IBM:

Upon award of this BOA to IBM, IBM will furnish an account number to DOE which will allow access to the BOA pricing and online ordering. Orders may be placed online via website at:
<http://www-1.ibm.com/shop/pc/personalpages/customer/login.cfm> .

You will need to obtain your customer ID # from Joe Stockfisch (see contact information below) in order to access the BOA prices and to be able to shop online.

Alternatively, orders may be mailed to:

Mr. Joe Stockfisch
8123 South Hardy Drive
Tempe, AZ 85284

Or by fax to #: 480-776-8799

Technical assistance may be obtained by contacting:

Mr. Joe Stockfisch
Phone: 1-800-656-0833 x6063
e-mail: jstockfi@ibm4pcs.com

Warranty and service information is available on the above referenced website and through IBM's general product and services website: <http://www.ibm.com>

For more information concerning the Hard Drive Return Waiver, contact:

Burton Francois, Sales Specialist
Phone: 1-800-426-1751 x1093
e-mail: burtfran@us.ibm.com

To Place Orders With An IBM Business Partner Listed in Attachment B:

Reference the IBM/DOE BOA # on your order and submit to the IBM partners noted above per the mailing addresses and contacts listed.

Reports: DOE may view a record of the IBM business volumes placed under this BOA by signing on to website: <http://www-1.ibm.com/shop/pc/personalpages/customer/login.cfm>. After completing sign on, from the homepage, find "Order status/history" in the left navigation bar and click. Find "Account History" and click again. Specify the parameters for your report and click on "Get report". Choose a report to include "invoices" and "returns" if you wish to capture only net completed business, and if you do not want quotes and pending order information.

Attachment C - Pricing Terms

The IBM relationship prices identified in this Attachment shall reside on a website created expressly for the Department of Energy and shall be updated daily from the effective date of this BOA. Additional special bid discounts may apply for specific large volume transactions, subject to negotiation. IBM, or its Partners will work with DOE sites to meet their unique requirements, as necessary.

Product Category	BOA Discount Off Of Commercial List Price
IBM ThinkCentre and NetvistaDesktops	18%
IBM ThinkPadLaptops	15%
IBM ThinkVision Displays	12%
Think Options by IBM	12%

Note: For comparison purposes, for products on the current IBM GSA Schedule, the GSA discount for the product categories noted is on average, 12% off List. The BOA discounts shall be reviewed on at least a quarterly basis, and mutually established between the MOC and the Subcontractor.

Employee Purchase Program

Please see the following website for terms and prices: <http://www.ibm.com/federal>. Click on "PCs for Home" in the lower right corner of the homepage and continue on to access information regarding IBM's Federal Employee PC Purchase Program.

Hardcopy sample pages from the order website, including (both) priced configured systems and part numbers listings will be furnished to DOE for evaluation purposes.